

107TH CONGRESS
2D SESSION

H. R. 3926

To repeal a scheduled increase in the fee charged by the Government National Mortgage Association for guarantee of mortgage-backed securities.

IN THE HOUSE OF REPRESENTATIVES

MARCH 12, 2002

Mr. LAFALCE introduced the following bill; which was referred to the
Committee on Financial Services

A BILL

To repeal a scheduled increase in the fee charged by the Government National Mortgage Association for guarantee of mortgage-backed securities.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. CONGRESSIONAL FINDINGS.**

4 The Congress finds that—

5 (1) the Government National Mortgage Associa-
6 tion (known as Ginnie Mae) plays a critical role in
7 facilitating a secondary market for mortgage loans
8 insured by the Federal Housing Administration
9 (FHA) or the Rural Housing Service (RHS), mort-
10 gage loans guaranteed by the Department of Vet-

1 erans Affairs (VA), and other federally insured
2 mortgage loans;

3 (2) Ginnie Mae is projected to make almost
4 \$400,000,000 in profits (negative credit subsidy) in
5 fiscal year 2003 under its current revenue structure;

6 (3) the annual fee that Ginnie Mae charges to
7 make a secondary market is scheduled to increase by
8 50 percent in 2004;

9 (4) the revenue derived from the scheduled fee
10 increase was originally intended to be used for non-
11 housing purposes, but now will be used to increase
12 the level of Federal receipts produced by Ginnie
13 Mae;

14 (5) the scheduled fee increase will impose a cost
15 on home buyers utilizing FHA, RHS, and VA feder-
16 ally insured or guaranteed residential mortgage
17 loans; and

18 (6) this fee increase will raise the cost of home
19 ownership and make it more difficult for first-time
20 home buyers to buy a home.

21 **SEC. 2. REPEAL OF GNMA GUARANTEE FEE INCREASE.**

22 Section 972 of the Higher Education Amendments of
23 1998 (Public Law 105–244; 112 Stat. 1837) is hereby re-
24 pealed.

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